

PHILIP MORRIS MANAGEMENT CORP. INTER-OFFICE CORRESPONDENCE

120 PARK AVENUE, NEW YORK, N.Y. 10017

TO: Mr. C.R. Wall

DATE: June 4, 1996

FROM: J.R. Cherry *JRL*

SUBJECT: 1) Kasowitz/Kearney
2) Joint Defense Agreement

- 1) The Kasowitz proposal, which both Jim Kearney and David Hardy had been advised was on its way, has not been received by David. I see no reason why this should delay a Cleveland discussion of Latham's retention by PM, but any final decision here (and commitment to Jim) might await our consideration of the proposal, assuming we continue to believe it is imminent.

Jim is considering the approach (and who should make it) and form of a Brooke/Liggett consent and is to get back to me.

- 2) This agreement will not be as efficiently dispatched as we had hoped. Only Philip Morris and Lorillard timely submitted comment to Shook Hardy pursuant to the understanding of last week; David Hardy advises Reynolds' comment has not been received yet, and B&W's has just been received. The prospect is that David will arrive in Cleveland with a handful of drafts, and that a more final draft will only be completed after that meeting. It would be vain for us to work on Tony's draft, since it does not comprehend the comments of others.

JRC:pd

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